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PROGRESS OF THE PUBLIC EMPLOYMENT BUREAUS

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Our annual crop of governors' messages for 1915 brought forth from all points of the compass alarming conditions of unemployment.¹ During the winter of 1914-1915, mayors in all parts of the United States were appointing "Unemployment Commissions" to enlighten the public on the actual conditions and to suggest the remedies.

The most popular remedy that suggested itself to these citizen committees was the establishment of public free employment bureaus. Hence the avalanche of legislation that was rushed through state legislatures and city councils providing for these bureaus. There are, at the present time, public free employment bureaus in 152 cities in the United States.² These bureaus are operated under the auspices of city, state or nation, some cities being taken care of by more than one agency. The federal government has been operating for the past two years, a system of labor exchanges through its eighteen distribution zones. Twenty-three states are now conducting more or less efficient systems of free employment bureaus.³ Four of these, *viz.*, California, Iowa, New Jersey and Pennsylvania have taken over this function within the past eighteen months. The whole movement, so far as the states are concerned, had its beginning in the Ohio law of 1890. No development of consequence was attempted until 1905.

¹ Note particularly those of Governor Hunt, Arizona; Governor Johnson, California; Governor Capper, Kansas; Governor Willis, Ohio; Governor West, Oregon; and Governor Lister, Washington.

² Bulletin, United States Bureau of Labor Statistics. Whole number 192. May, 1916, pp. 144-5.

³ California, Colorado, Connecticut, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Dakota, West Virginia and Wisconsin.

The sudden death of those conditions which gave rise to the recent abnormal growth of the public free employment idea is the outstanding characteristic of the past year. The Public Affairs Information Service, under date of November 10, 1916, observes, "There were no references made in the messages of the governors with reference to public employment bureaus in 1916." The man and the job have reversed positions; the latter is now on the hunt for the former. The federal branch at Buffalo, New York, reports "a great demand for labor of all kinds." The inspector in charge of the New York City branch writes that "the demand for labor of all sorts is far in excess of the supply." From the Iowa Bureau of Labor Statistics comes this statement: "During the past three months it has been impossible to supply the demand for laborers throughout the state, and the situation is a little worse just at this time as a great many laborers are leaving for the farms to pick corn."⁴ Conditions are even worse in Ohio, where a Cleveland paper reports an influx of 2,500 southern negroes to that city in ten months, attracted by a continually increasing wage scale.⁵ James P. Robbins, inspector in charge of the Philadelphia federal bureau, reported on October 14, 1916, that he had "active opportunities right now for at least 5,000 miners and mine laborers," and that "the demand for first class laborers at twenty-three cents an hour and upwards, is practically unlimited." The New York State Bureau of Statistics and Information is responsible for the statement that between August, 1914 and August, 1916, the number of employes in that state increased 22 per cent, while the increase in wages was 43 per cent.⁶

In spite of these glittering possibilities from the standpoint of the workman, the public employment bureaus have had some work, even in hunting for jobs. The director of employment in Kansas City, Missouri, was presented with a task of no mean proportions when the Third Missouri Regiment returned to that city, from the Mexican border. And so it goes; general conditions have exceptions, and their oscillations are more or less regular. The employment bureau

⁴ Letter, dated October 13, 1916, from J. C. Nietzel, Chief Clerk, Bureau of Labor Statistics.

⁵ *Cleveland Plain Dealer*, October 20, 1916.

⁶ *The Bulletin* Issued monthly by the New York State Industrial Commission. Vol. I, No. 12, September, 1916, p. 19.

is one of the *regulators* that tends to keep the pendulum hovering about its lowest point.

The first attitude of the large employer of labor, uninfluenced by the experience of actual dealings with the public employment bureau, is one of accord. The average "big" business man is, in principle, sympathetic with the basic idea of the public employment bureau, *viz.*, direction of the workman to a job, without compensation. The director of the employment department of the Ford Motor Company, of Detroit, says: "It is against our policy, absolutely, to hire any man who has to pay any one for a job, and our opinion is that we have better success otherwise."⁷ The employment manager for the Cleveland Hardware Company, a concern employing several thousand men, is of the same opinion.⁸ One of the largest employers in Buffalo, New York, suggests that he has "never employed a private agency, on the theory that a man whose services are at all desirable will go out and get his own job."

With the original attitude of the large employer so favorable to the principle upon which the public employment bureau is founded, how shall we account for so much of the subsequent dissatisfaction that develops? Are these free bureaus performing the functions, within their sphere, with that degree of efficiency which we may reasonably expect?

One method often employed for testing the efficiency of the public bureaus is the resort to statistics. How does the number of jobs filled this year compare with last? What is the relative cost to the state for each position filled? What is the proportion between the number of applicants for positions and those actually placed? Comparisons of such results from year to year within a single state, between the bureaus of the various states, and between the several employes of a given bureau, are looked upon by many as criteria of progress. It is not so much the number of positions filled by the employment bureau as it is the satisfaction given both parties—employer and employe—by the transaction. This element of human satisfaction does not appear in the statistical bal-

⁷ In a letter to the writer, dated October 28, 1916.

⁸ "It has always seemed to me that it is unfair for a man to have to pay a private employment bureau for a job, and I do believe that a free employment bureau would be a great benefit to the man coming to a strange city."—F. G. Douglass, Manager, Employment Department, October 27, 1916.

ance sheet. The placement that cost the state ten cents may be worth ten dollars, in results accomplished, while the placement that cost only five cents may be actually valued at less than nothing.

What are some of the complaints of the chief customers of the public bureau?

The most usual cause for adverse criticism on the part of the business man in his dealings with public agencies, is the "political" element which seems to him to dominate. The present case is no exception to that rule. The Buffalo concern, previously referred to, agrees that "the most serious objection is that the offices are largely of a political nature, and even though the clerk in charge may be on the civil service list, he usually feels that he owes allegiance to some state politician." Dr. H. C. Person, Director of the Tuck School of Dartmouth College,⁹ a school whose business it is to train employment managers, informs me that the inquiries which he is continually receiving, asking him to recommend graduates for employment departments, invariably come from private concerns. Referring to the opportunities for their men in the public service, he said: "My feeling is that political conditions are so strong that there will not be much call for the men."

One business man, in noting that politicians are paid salaries rather than wages, explained that a salary is what you get, while a wage is what you earn. He further noted that wage-earners are not prolific among political appointees. An interesting fact is that most of the poor results in this field that may be attributed to political appointments are caused by the comparatively low salaries attached to the positions. The usual salary of \$1,200 is not attractive to a qualified employment manager.¹⁰ This figure eliminates him immediately from consideration. Usually the available material consists of either mediocre politicians or those ordinary mortals who are able to pass a low grade civil service examination where there is little competition. These men are very poorly equipped for their duties, with neither experience nor training. Added to this poor equipment, the office often suffers from a kaleidoscopic personnel, thanks to political exigencies. The photo-

⁹ Consult 1916-1917 Bulletin, The Amos Tuck School of Administration and Finance, Hanover, New Hampshire, p. 31.

¹⁰ The Colorado law, which is typical, provides a tenure of two years for the local superintendents, with a salary of \$1,200. (Colorado Statutes, Sess. I, 1907, p. 292.)

graphic reproduction of a reply to an inquiry, from a \$1,500 local superintendent, illustrates the point.

Jan 1-15-
 Sir _____

Dear Sir
 I have referred
 your letter to Mr _____
 of _____ who can furnish you
 more information than I can. You
 better in communication with him
 Yours very truly

Act. free employment Bureau

Photographic reproduction of a letter received from the superintendent of a local public employment bureau. This letter was written in lead pencil. The man's salary is \$1,500.

Mr. Chas. B. Barnes, Director of the New York State Bureau of Employment, states that when he was visiting most of the public employment offices in the United States in the interest of the United States Industrial Relations Commission, he found "that the general conception of public employment offices was rather low. This led to the appointment of any sort of man who needed to be paid for his political work."

Another explanation that the large employer gives for not making the public employment bureau his regular servant, is the contention that they supply, as a rule, only the lower grades of help. The John Wanamaker Store, Philadelphia, rarely uses the public bureau because they "do not include, to much of a degree, the needs of a retail merchandising establishment. Consequently the private agencies render more efficient service."¹¹

¹¹ Letter of October 27, 1916.

This is one of the hardest things the efficient public agency has to combat. A number have been successful. The Los Angeles, California, report for 1915, contends that that bureau is ready to supply any kind of help. As proof it notes the placement of a court stenographer at ten dollars a day, a vice-president and general manager at \$250 per month, and a collector at \$150 per month. The federal agent at Kansas City tells of his struggles to overcome the same "prejudice."

Success in obtaining and developing the good opinion of the employer, without which the office is foredoomed to failure, depends on the personality and calibre of the local superintendent. This feature must first of all be taken care of in the law providing for the bureau. After provision has been made for a practical civil service examination (written and oral), the law should provide for such funds as will permit attractive initial salaries, and possibilities for increases as the occasion warrants. The combination of a civil service test and an attractive salary is the surest way to ward off the unfit political appointee. One private agency in Detroit pays its manager sixteen dollars a day.¹² What chance has the public bureau in that city to compete successfully against the skill and experience of such a private agency manager?

In spite of these well known facts, many of our state systems are without proper financial support. Some legislatures have actually passed laws establishing free bureaus without providing any funds at all. It is evident that in such cases petty politics were rife from the start, and it was probably fortunate that no appropriation was made. Several bills were introduced into the California legislature before one was finally passed. The first one that passed the legislature was not signed because the state Bureau of Labor Statistics felt that the appropriation was inadequate to carry on the work. After these many hold-ups California obtained an excellent bill and a fair appropriation. Maryland's first act, in force until last year, granted \$1,000 for the annual upkeep of the system.

There are many cases in which the man in charge has had practically no experience at the work, but is actually interested and eager to master his subject. Several letters from superintendents conclude with the request to be furnished with any printed

¹² *Bulletin No. 192*, United States Bureau of Labor Statistics, p. 23.

matter of interest on the subject. The central offices, of the state and federal systems would do well to make an active effort to keep their field men systematically supplied with appropriate literature and suggestions. The federal Bureau of Labor Statistics has made a beginning in this direction. The local men are probably not so much stimulated by periodical doses of comparative statistics as they would be by readable accounts, with results, of what their fellow workers are doing in various parts of the country. Statistics, although they may at times be stimulating, rarely awaken a vision, even in the trained mind.

There are many and varied developers of business known to the private employment agency. Some of their methods have been adopted by the public agencies, and in several cases carried to more advantageous conclusions. There is a general admission, on all sides, of the superior ability of the private agency solicitors when in competition with the public bureaus. Of course, the private agency has the advantage of being able to divide the spoils with the person who has final decision in placing workmen. But the fact is that in most cases the public bureau makes no attempt at personal solicitation. Here, again, funds are necessary. Many of the public agencies could not solicit through a representative if they wished to.

Where personal visits are impossible the mail and 'phone have been used to great advantage by the more progressive superintendents in going after new business. Mr. C. L. Keep, the federal agent at San Diego, California, has an attractive form letter that he addresses to everyone inserting a help wanted advertisement in the local papers. He reports a remarkable success for this device. The letter is often saved by the employer for future reference.

The use of interpreters in employment offices in certain sections of the country adds greatly to their popularity. It is one of the boasts of the Milwaukee, Wisconsin, office that its force represents a combined speaking knowledge of eighteen different languages.

Publicity is one of the essential features of the successful office. The newspapers must be convinced of the mutual benefits to be derived from running daily free advertisements for the public bureau. Feature stories serve to keep the successful local bureau constantly before the public eye. Several public bureaus complain of lack of funds for newspaper advertising, while several others who

are most active in point of newspaper publicity point to the fact that they never pay for any of it. Much publicity is obtained through bulletins in post-offices and other public buildings. The Wisconsin offices send representatives to make brief addresses, covering the functions of the bureau, at county fairs and farm institutes. In line with their general policy to "Boost Missouri" the bureaus of that state utilize the backs of letter heads and envelopes to help advertise themselves. These suggestions represent only a few of the more important ways in which the progressive office obtains its publicity.

FOR HIGH GRADE HELP

WRITE, WIRE OR PHONE

STATE FREE EMPLOYMENT OFFICES

ST. LOUIS:	917a Pine Street	Phones, Main 3184, Central 4953
KANSAS CITY:	215 Sheidley Bldg.,	Phone, Main 4204
ST. JOSEPH:	110 N. Seventh Street	Phone, Main 1439

Labor of All Kinds Furnished No Charge for the Service

Mr. Charles B. Barnes, Director of the New York State bureaus, and probably one of the most efficient men in the service, has instituted many new features in the system of which he has charge. He makes it a rule to visit each branch office every month. These visits last from one to three days. The branch superintendents send to the general office, at the end of each month, a "general letter" which discusses anything of interest to the director or to the superintendents of the other branches. Such features undoubtedly develop that *esprit* essential to a satisfactory service.

Next in importance to adequate financial support, the word coöperation must certainly be the guiding star if the public employment bureau is to be a considerable factor in relieving the stress of

labor problems. Coöperation has to extend itself throughout every ramification of the service. It seems almost impossible that a federal employment agent could write in November, 1916:

I have had very little correspondence with other bureaus—in fact, they do not seem to know how to coöperate. The agent of the state-city bureau in —— called on me once, but he did not impress me favorably in the least. He reminded me too much of his past deeds and accomplishments in a political way, and didn't drop even a hint as to how our work could be bettered.

This condition, however, should hardly be considered as typical. The Nebraska system, although it is far from being a leader in the general field, due to the meagreness of the appropriation, has achieved an excellent coöperation in its handling of harvest hands for the state. An annual bulletin, issued in June, and prepared after a thorough survey of every county, deals with crop conditions and harvest field needs. This bulletin considers those needs in actual figures, based on the estimates of the individual farmers.

There may be coöperation in numberless ways. The women's department of the Kansas City bureau has rallied the active support of the various alumnae societies in the city. The aid of rural postmasters is often used to advantage. These offices become, in effect, sub-bureaus. The public school system is directly interested in the vocational guidance work undertaken by some of the older bureaus. The success of this phase of the work varies directly with the intensity of the coöperation between the two organizations concerned.

Coöperation among the various bureaus, municipal, state and national, is the final step in this program of coördination and centralization. We have many instances of the state and city working together in city-state bureaus. The paramount consideration in the establishment of the federal system was the providing of means for the proper distribution of labor over the country, as a whole. These federal bureaus are coöperating, in a few particulars, with many of the state and city bureaus. In Los Angeles the federal bureau joined the city-state bureau to establish a city-state-federal bureau. The first advantage of such a union is the mail franking privilege which the federal representative brings to the office. In this particular instance, the combination made it possible to send out two solicitors with automobiles to visit the large employers.

Coöperation in this field is still in its infancy. It might be used, when more fully developed, to provide a uniform system of

reports and records. Records have value chiefly as they furnish means of comparison. The present method of multi-form records robs them of most of this value. An adequate uniform system of records throughout the country would furnish the basis for future progress in the management of the local office.

Every time an organization of public employment bureau managers meets, it considers the possibility of eliminating the private bureau. This elimination was the subject of one of the five resolutions passed by the American Association of Public Employment Offices at its Indianapolis meeting, September 25, 1914.¹³ The evil practices of the private offices are limited only by the ingenuity of their managers.¹⁴ There is, we would venture, a large percentage of the private agencies operating on an open and business basis, and performing a very desirable function in the locality served. These agencies should not be legislated out of existence, it seems to me, until a satisfactory substitute is assured. The question to be decided in this connection is whether or not the public agencies have covered the field, and covered it successfully. When the answer to this question is a reasonable affirmative, the decent private agencies should be made to suffer for the sins of their less respectable brothers, and the system abolished. The constitutional provision relating to the confiscation of property will not be overlooked by the vested interests in private agencies.

The incontrovertible logic of the situation would tend to suggest that as the public agencies surpass the private in services rendered, the private will be weeded out by natural forces. Of course, there would be lingering instances of an unnatural existence where the private agency was in league with the employment agents of large companies, under an agreement to split the fees. But the experienced and efficient manager of the public bureau would soon find ways and means to undermine these personal deals. Few concerns are in business for the benefit of their employment agents. It is as unprofitable to the employer to pay wages to a continuous stream

¹³ "Resolved, That this association go on record as favoring the elimination, as soon as possible, of all private employment agencies operating for a profit within the United States, and that it recommends to the consideration of the United States Commission on Industrial Relations and the various state legislatures legislation having this end in view."

¹⁴ For an outline of some of these practices see an article by the author in *The Annals* of May, 1915.

of green men as it is profitable to the private agent. Broad powers of supervision and control (properly administered) of private agents is a reasonable protection until such time as they shall be eliminated by competition with the public bureaus.

The public bureaus have not been altogether relieved, as yet, from the national suspicion of labor organizations. That original suspicion is spending its force as the public bureaus demonstrate their attitude, time after time, in cases where there are labor disputes. President Gompers, of the American Federation of Labor, writes me that the investigation of the public bureaus, ordered by the Executive Council of the Federation, has not been completed. While the public bureaus are investigating the conduct of the private agencies, they themselves are being subjected to a critical examination by our leading national labor organization.

In conclusion, it seems clearly evident that the usefulness and competence of the public bureaus have increased during the past two years.¹⁵ Most of the road is still ahead, and the obstacles are many. The important steps forward, after a fair civil service is provided for, will logically depend on a kind of round-robin, beginning and ending with the legislature. This body must be influenced, in the first place, to vote enough funds to attract a competent and trained personnel. The high salaries will tend to relieve the service of its burden of petty political workers. The efficient performance of the new personnel will win the confidence of the people—employers and employees alike—and make inexpedient the subsequent use of the office for partisan politics, as was illustrated in the attempted dismissal of Mr. Hennesey in Cleveland.¹⁶ Finally, through the

¹⁵ Kentucky and Nebraska still present very poor examples of a state's attempt to serve employer and unemployed. Maryland has reorganized its system, and made some improvement over last year—not a very difficult task. South Dakota's system is almost worthless. Nebraska, on account of lack of funds, confines its efforts to assisting with the harvests. The new bureaus, established in Pennsylvania and California, are first class.

¹⁶ Mr. Hennesey, formerly superintendent of the Cleveland city-state office, rendered such service to his city in the winter of 1914–1915 that he gained a wide popularity, and distinction for efficiency. Being a state officer there was a strong intimation from Columbus of his dismissal, shortly after the politics of the state administration changed in 1915. Immediately, there was such organized protest on the part of the people of Cleveland that all mention of a change in the city-state employment office ceased. Mr. Hennesey resigned, voluntarily, in 1916, to accept the secretaryship of the Cleveland Builders' Exchange.

pressure of public opinion, those interested in the work will be able to induce the legislature to advance additional funds for further expansion and more intensive work. This plan represents the safest, and probably the ultimate method for eliminating the private agency and developing the functions of the public bureaus. While this method is disposing of the undesirable element among the private agencies, the municipal, state and federal officers in charge of such work can advance their own interests and those of the public by inducing the first class private agencies to become a part of the public system.